

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

SECURITIES INVESTOR PROTECTION  
CORPORATION,

Adv. Pro. No. 08-01789 (SMB)

Plaintiff-Applicant,

v.

BERNARD L. MADOFF INVESTMENT  
SECURITIES LLC,

SIPA LIQUIDATION

(Substantively Consolidated)

Defendant.

In re:

BERNARD L. MADOFF,

Debtor.

IRVING H. PICARD, Trustee for the Liquidation  
of Bernard L. Madoff Investment Securities LLC,

Adv. Pro. No. 10-04392 (SMB)

Plaintiff,

v.

PANAGIOTIS SAKELLARIOU SETTLEMENT,  
an irrevocable trust u/a/d 12/17/92, SG HAMBROS  
BANK & TRUST (BAHAMAS) LIMITED, in its  
capacity as trustee of the Panagiotis Sakellariou  
Settlement an irrevocable trust u/a/d 12/17/92,  
CONSTANTINE PALEOLOGOS, individually,  
CELIA PALEOLOGOS, individually,

Defendants.

**STIPULATION AND ORDER AGREEING TO APPLY DECISION IN  
THE OMNIBUS PROCEEDINGS TO THIS ADVERSARY PROCEEDING**

**WHEREAS**, on November 30, 2010, the plaintiff, Irving H. Picard as trustee (the  
“Trustee”) for the liquidation of the business of Bernard L. Madoff Investment Securities LLC  
 (“BLMIS”) under the Securities Investor Protection Act, 15 U.S.C. §§ 78aaa, *et seq.* (“SIPA”),

and the substantively consolidated estate of Bernard L. Madoff individually (“Madoff”), commenced the above-captioned adversary proceeding in the Bankruptcy Court against Panagiotis Sakellariou Settlement, an irrevocable trust u/a/d 12/17/92 (the “Trust Defendant”), SG Hambros Bank & Trust (Bahamas) Limited, in its capacity as trustee of the Sakellariou Trust (the “Bank Trustee Defendant”), Constantine Paleologos, individually, Celia Paleologos, individually (the “Individual Defendants”) and Chris G. Lazarides, individually (the “Adversary Proceeding”);

**WHEREAS**, on January 17, 2014, the Individual Defendants moved to dismiss the Adversary Proceeding pursuant to Federal Rule of Civil Procedure 12(b)(6) made applicable by Rule 7012 of the Federal Rules of Bankruptcy Procedure (the “Motion”);

**WHEREAS**, on February 14, 2014, a hearing was held before the Bankruptcy Court to address the most efficient manner of litigating common legal issues and coordinating common and consolidated discovery in the hundreds of adversary proceedings pending before the Court;

**WHEREAS**, on February 21, 2014, the Bankruptcy Court entered the Case Management Order Regarding Certain Pending Motions to Dismiss (the “Omnibus Proceedings”);

**WHEREAS**, on September 17, 2014, a hearing was held before the Bankruptcy Court to consider the common legal issues in the Omnibus Proceedings;

**WHEREAS**, the Individual Defendants are neither a party to, nor have joined in the Omnibus Proceedings;

**WHEREAS**, the Individual Defendants’ Motion incorporates all the arguments set forth by similarly situated defendants in the Omnibus Proceedings;

**WHEREAS**, on June 2, 2015, the Bankruptcy Court granted in part and denied in part the Motions to Dismiss in the Omnibus Proceedings for reasons set forth in its Memorandum

Decision Regarding Omnibus Motions to Dismiss (the “Decision”) [ECF No. 10089 in Adv. Pro. No. 08-01789 (SMB)]; and

**WHEREAS**, on June 22, 2015, the Supreme Court of the United States denied certiorari of the Trustee’s appeal of *SIPC v. Ida Fishman Revocable Trust*, 14-1128 and *Picard v. Ida Fishman Revocable Trust*, 14-1129 (the “Supreme Court Decision”), and thus section 546(e) of the Bankruptcy Code applies to this proceeding.

**WHEREAS**, on April 17, 2014, defendants Panagiotis Sakellariou Settlement, an irrevocable trust u/a/d 12/17/92 (the “Trust Defendant”), and SG Hambros Bank & Trust (Bahamas) Limited, in its capacity as trustee of the Trust (the “Bank Trustee Defendant”) filed an Answer;

**WHEREAS**, on May 14, 2014, the Trustee voluntarily dismissed without prejudice defendant Chris G. Lazarides from this Adversary Proceeding [Dkt. 83];

**IT IS HEREBY STIPULATED AND AGREED**, by and between the undersigned herein, that:

1. The Decision rendered in the Omnibus Proceeding applies equally to this Adversary Proceeding and such Decision disposes of the Motion filed herein.

2. As to Count Seven in the Complaint seeking to recover subsequent transfers from the Individual Defendants pursuant to section 550(a) of the Bankruptcy Code, applicable provisions of SIPA including section 78fff-2(c)(3) and New York Debtor and Creditor Law (the “Subsequent Transferee Count”), the Motion is granted with respect to the Subsequent Transferee Count and such count is hereby dismissed without prejudice to (i) the Trustee’s right to seek to amend in accordance with Rule 15(a)(2) of the Federal Rules of Civil Procedure, made

applicable hereto by Federal Rule of Bankruptcy Procedure 7015, and/or (ii) the Trustee's rights under Section 550(f) of the Bankruptcy Code.

3. In all other respects, the Motion is denied.

4. Pursuant to the Supreme Court Decision, Counts Two, Three, Four, Five, and Six of the Complaint are hereby dismissed with prejudice.

4. This Stipulation has no effect on Count One of the Complaint.

5. The Adversary Proceeding will move forward thereafter against the Trust Defendant and the Bank Trustee Defendant on a schedule to be established by further order of the Court after consultation among the parties in accordance with the applicable rules of procedure.

6. The Clerk of the Court is hereby directed to amend the caption to remove certain parties, as reflected on Exhibit A to this Stipulation.

7. This Stipulation may be signed by the parties in any number of counterparts, each of which when so signed shall be an original, but all of which shall together constitute one and the same instrument. A signed facsimile, photostatic or electronic copy of this stipulation shall be deemed an original.

Dated as of: September 24, 2015

By: /s/ Nicholas Cremona

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Dated: New York, New York  
September 24<sup>th</sup>, 2015

SO ORDERED

/s/ STUART M. BERNSTEIN

HONORABLE STUART M. BERNSTEIN  
UNITED STATES BANKRUPTCY JUDGE

**Exhibit A**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re:  BERNARD L. MADOFF,  Debtor.	Adv. Pro. No. 10-04392 (SMB)